US Multilateral Aid in Transition: Implications for Development Cooperation

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23.1 INTRODUCTION

The United States, a progenitor of modern-day development cooperation, veered abruptly from its traditional role with the advent of the Trump administration. While the United States has a history of pushing for reforms at multilateral development institutions, it has also historically invested itself in the system and enjoyed significant benefits from its participation. President Donald Trump's scepticism of the effectiveness of development assistance and multilateral cooperation has increased the uncertainty about the role of US financial and political investment in the multilateral development system. He shows little patience and interest in engaging in the type of contested collaboration that this handbook explores, believing its institutions have shifted to such a degree that US political capital and power would be misused by trying to ensure its interests are adequately represented within the system.

Since 2017, the growing absence of proactive US leadership has severely complicated multilateral efforts to become fit for purpose in an ambitious and dynamic environment for global development, one marked by the global push to achieve the Sustainable Development Goals (SDGs). The abandonment by the United States of its traditional role is weakening its standing within multilateral settings, just as a “great power” competition with China continues to grow and is spilling into development cooperation. This chapter explores

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these trends and their potential implications for the multilateral system and US development cooperation.

23.2 THE UNITED STATES AND MULTILATERAL DEVELOPMENT COOPERATION

Modern-day development cooperation has its roots in the US leadership that grew out of the Marshall Plan, a package of economic and humanitarian assistance provided by the United States to Europe in the aftermath of the Second World War. The Marshall Plan stressed local ownership and emphasised what modern development theory calls “country ownership”: that, to be successful, the initiative for progress must come from the European countries themselves. It created bilateral institutions in each country, as well as a joint cooperative that eventually evolved into the Organisation for Economic Co-operation and Development (OECD). The scale was unprecedented: the United States provided \$13.3 billion over four years or about \$140 billion in 2017 dollars (Garret 2018).

Subsequent to their recovery, the recipient countries of the Marshall Plan transitioned into aid donors. Eventually, the United States led the formation of a Development Assistance Group (Fuhrer 1996), which grew into—and now comprises—the core of the Development Assistance Committee (DAC). The DAC’s members provide economic and humanitarian assistance to developing countries, similar to how they once received it from the United States (Organisation for Economic Co-operation and Development [OECD] 2018).

The values and ideals of the United States thus provided the foundational principles of modern-day development cooperation. Granted, US political self-interest was a major factor—the Marshall Plan was part of a strategy to contain Soviet expansionism and help the United States build markets and economic relationships to strengthen its own prosperity and security. But George Marshall himself emphasised the importance of collective action grounded in compassion and humanitarian responsibility: “The program should be a joint one ... against hunger, poverty, desperation and chaos” (OECD, n.d.-a).

To this day, the OECD mission statement acknowledges that the “common thread of our work is a shared commitment to *market economies* backed by *democratic institutions* and focused on the well-being of all citizens” (OECD, n.d.-b, emphasis added). These are Western and American principles.

US leadership was central at the beginning of the OECD-DAC. Its first nine chairs were from the United States (OECD 2006). The United States was also the first convener of what has become an annual retreat of the development ministers of the DAC’s members, named Tidewater after the location of the first gathering in eastern Maryland. With the election of Susanna Moorhead in December 2018, the UK just became the only other member to have seated more than one chair.

This history hints that American exceptionalism—the country’s view of itself as the “indispensable nation”, as former Secretary of State Madeline Albright termed it (US Department of State 1998)—has affected its perceived role within the multilateral system. Other countries see the United States as central to the multilateral system, serving as the catalyst for its creation and acting as its main funder and champion. At the same, while the United States promotes collective governance and shared leadership, other countries also see the United States as setting rules and using its informal authority to ensure that its interests are served (Lipsy 2017)—thus the view that US behaviour has given rise to contestation and struggles over governance within multilateral structures.

Yet, the United States gave up its chairmanship in 1999, just as the DAC was helping to incubate the Millennium Development Goals, which were adopted in 2001 at the United Nations (UN). Soon afterwards, the DAC became a key leader of a global discourse on aid effectiveness, beginning with the First High-Level Forum in Rome in 2003 and culminating in the Busan Partnership Agreement at the Fourth High-Level Forum in 2011 (Busan Partnership for Effective Development Cooperation 2011). The move by the United States to share leadership more equitably thus anticipated a move towards collective agreements to regularise development cooperation, defining standards that would be evenly applied.

The Marshall Plan remains a point of great national pride in the United States. It has been named by historians and social scientists as one of the greatest achievements of the US government in the last half of the twentieth century, and it continues to enjoy widespread recognition by the US general public. This nostalgia does not translate into an informed constituency for US foreign assistance. Polling regularly shows that the US public wildly overestimates the amount of development assistance that the United States makes available (Norris 2017) (perhaps the huge scale of the Marshall Plan has left a lingering imprint that influences perceptions even today) and suggests it ought to be reduced, even as it consistently demonstrates strong support for the United States to be involved in humanitarian and global development activities.

23.3 TRENDS OF US MULTILATERAL DEVELOPMENT AID

Not only have US values informed the foundational concepts of development cooperation—the United States has also been active in building and using multilateral institutions to implement development and humanitarian programmes. Working with like-minded allies, the United States played a major role in creating and leading what has grown into a system of diverse multilateral development organisations, including the financial institutions launched after Bretton Woods, such as the World Bank Group, the International Monetary Fund, and the regional multilateral development banks

(MDBs); the wide array of UN agencies working on humanitarian and development challenges; and newer purpose-specific funds such as the Global Fund for HIV/AIDS, Tuberculosis, and Malaria (the Global Fund), and GAVI, the Vaccine Alliance.

Its own use of this system has grown over the past decade. The United States is the world's largest bilateral donor, and its official development assistance (ODA) has steadily increased, growing more than 22 per cent from 2007 to 2016. As US ODA has increased, the share of US ODA channelled through multilateral institutions has also increased. More than a third of US ODA in 2016 went through multilateral channels, up from 20 per cent in 2005. In a recent analysis (McArthur and Rasmussen 2017) of the funding of 53 major multilateral development agencies between 2014 and 2016, the United States was the top funder of 24 organisations. The next highest-ranked donors—Japan and the UK—were the top funders for nine organisations each. This highlights the financial dominance of the United States in the multilateral development system (Fig. 23.1).

That said, US influence in the multilateral development system goes beyond just funding. It has an outsized role within key cornerstone institutions, giving

Fig. 23.1 US ODA, 2005–2016 (*Source* Brookings analysis of OECD Creditor Reporting System [CRS] ODA data [For more information on the data analysis, see “Note about the individual projects (CRS) database” under OECD. Stat on the OECD International Development Statistics (IDS) online databases website: <https://www.oecd.org/dac/stats/idsonline.htm>])

its “soft power” a reach and importance that is hard to quantify. It is the only member with veto power over structural changes at the World Bank (World Bank 2017),¹ for example, which is also located in the United States and has only had American presidents. The United Nations Children’s Fund and the World Food Programme, two of the largest UN development agencies, have also traditionally had US leaders. As with development cooperation and the DAC, many of the norms and standards promoted within the multilateral development system reflect Western values and approaches to development, emphasising human rights and the rule of law.

Such a collective approach reflects how most Americans think the United States should conduct itself while pursuing global development priorities. In a 2017 poll by the Chicago Council of Global Affairs, a clear majority agreed that the United States should take an active role in world affairs, with 61 per cent suggesting that the best approach was to take a *shared* leadership role (Smeltz et al. 2017).² This is a consistent finding among polls on US global leadership; significant majorities are supportive of US participation and leadership in the multilateral system, and they are wary of the United States imposing its unilateral will (Kull et al. 2017).³ On the other hand, they are sensitive to the United States playing a disproportionate role (Kull et al. 2017), a finding that suggests the Trump administration’s priority to rebalance the “burden-sharing” within multilateral institutions resonates with the general public.

Although its use of multilateral channels has increased, US support has not been unqualified. Deeper analysis shows that the overwhelming majority of its support to UN agencies, for example, is restricted for specific purposes rather than core operations. The growth in its use of multilateral channels over the past decade is primarily due to increased investments in purpose-specific funds such as GAVI and the Global Fund, which focus on a particular issue or sector (Pipa et al. 2018). Both of these trends reflect a growing demand to exercise greater control and more directly attribute US investments to specific outcomes, even while benefiting from the leveraging of resources, knowledge, and political credibility that multilateral action offers.

The United States has also consistently kept a critical eye on organisational performance and effectiveness. Each of the last five US national security strategies, which span the presidential administrations of George W. Bush, Barack Obama, and Donald Trump, set out a reform agenda for both the UN system and the World Bank Group as a key priority. The annual report from the US Treasury to Congress on the International Monetary Fund and the MDBs also regularly outlines suggested reforms. Former senior US government officials at a 2017 Brookings roundtable acknowledged perceptions that many multilateral development organisations have become large, cumbersome bureaucracies in need of updating to perform at the highest level. Legislation proposed by Senators Corker (then-chairman of the Senate Foreign Relations Committee) and Coons surfaced in late 2017 to mandate a review to assess performance of the multilateral agencies that the US funds (US Senate—Foreign Relations 2017).

The increased ambitions of the global community around agreements like the SDGs and the need for global public goods are also forcing multilateral institutions to undertake their own reforms to ensure they are fit for purpose. These evolutions must adapt to the growing size and political influence of emerging economies, the enhanced agency of many developing countries, and an increasingly complex set of transnational issues that are reshaping the global context for development and humanitarian issues.

23.4 US GLOBAL DEVELOPMENT AND MULTILATERAL ENGAGEMENT IN THE TRUMP ERA

President Trump has never articulated a clear personal vision for the role of the United States in global development. In his speech to the UN General Assembly in September 2018 (The White House 2018), he suggested that US foreign aid should go only to “friends”, something he has often hinted but which, by mid-2019, had not resulted in a clear policy directive.

His foreign policy team has had to balance three tendencies of the president that have tested the coherence of US global development policy and challenged the multilateral development system far beyond anything advocated by his predecessors. He questions the effectiveness of aid, casting US foreign assistance as being expendable and transactional, which is an available point of leverage that he can use with countries in negotiations or interactions unrelated to development. He has an aversion towards collective action that reflects deep scepticism that the multilateral system serves US interests. And he exhibits a willingness to confront China directly, viewing it as a primary economic and political competitor to the United States.

These views have been balanced by trade-offs with other priorities, differing perspectives within the executive branch, and interactions with Congress. Global development has been one of the few issues to enjoy strong bipartisan support in a divided Congress, with 12 major pieces of legislation being passed in the 2016–2018 period alone.⁴ Congress has disregarded the deep cuts to foreign assistance the president has proposed in his budgets, instead making appropriations that have generally maintained the funding of US aid at previous levels. In 2018 it also rejected proposed end-of-year rescissions for appropriated funds that had yet to be spent. The United States has continued to be the world’s largest bilateral donor.

The Trump administration worked productively with Congress to enact the BUILD Act in late 2018, creating a new US development finance institution (Runde and Bandura 2018). This will multiply US capabilities to leverage private finance by expanding the authorities of the existing Overseas Private Investment Corporation (OPIC) and increasing the base of available capital. For many development professionals and advocates, this is a welcome step, one that positions the United States to continue its development leadership in today’s dynamic financing environment, where the importance of private investment has risen significantly.

The administration suggested shutting down OPIC in its initial foreign affairs budget, then reversed its position and ultimately offered strong support for transforming OPIC into the new development finance institution. The reversal was as much for geopolitical reasons as anything else, based on a belief that it would enable the United States to offer an alternative to the infrastructure financing being extended by China through its Belt and Road Initiative (Pilling 2018).

Finding such areas of overlap among competing interests has produced other positive outcomes for global development cooperation. In 2018 the United States agreed to a capital increase at the World Bank, for example, by extracting a commitment for changes in salary and staffing structures that have long been a priority. In his first visit to the UN General Assembly, President Trump pledged support for the Secretary-General's reform agenda, which includes major changes to the UN development system, and convinced more than 100 other countries to adopt the same pledge (The White House 2017b).

United States Agency for International Development (USAID) Administrator Mark Green, who served from August 2017 to April 2020, pursued a reorganisation of the agency to improve its efficiency and effectiveness by bringing together policy, budget, and strategy; elevating the agency's focus on building resilience; and strengthening its top-of-class humanitarian assistance. His signature initiative at the agency focusses on a country's "Journey to Self-Reliance", an evidence-based assessment of a country's progress towards facilitating and funding its own development; its stated objective of making foreign assistance no longer necessary resonates with hard-line counterparts in the administration. He has kept USAID in the forefront of development practice among aid agencies worldwide (Timmons 2018).

On the policy side, however, US development cooperation during the Trump administration has come to reflect the scepticism towards multilateralism that is a norm of the president's America First foreign policy. Some of the headline shifts include pulling out from the Paris climate accord; withdrawing from the process to develop a Global Compact on Migration; stepping down from the UN Human Rights Council; and discontinuing funding for the UN Relief and Works Agency for Palestine Refugees in the Near East.

Many of these decisions have their basis in a policy dispute. The increasingly voluntary nature of these types of multilateral development agreements relies upon the reputational risk associated with mutual accountability, rather than the compliance mechanisms associated with international law or global regulations (Kaye 2013). US actions highlight the limits of this evolution. The administration's changes in policy direction placed the United States at such odds with the global consensus that administration officials deemed the potentially negative consequences for US credibility as being a worthwhile trade-off for withdrawal.

It was willing to risk a hit to the perceived dependability of the United States at future negotiating tables (Will the country follow through?) in service to stronger alignment with its change in policy. On the one hand, this weakens

incentives for others to remain faithful to their own commitments under such agreements. In an era when high-profile agreements are based primarily on mutual accountability and reputational risk versus legal frameworks and compliance regimes, such moves from the United States—the system’s historic champion—jeopardise the power and weight that future voluntary multilateral agreements will have. At the same time, the administration has a credible policy rationale for making such moves, based on its own policy positions.

Yet, the administration also seems to be avoiding multilateral settings even when its policy priorities align. A key example is the administration’s quiet disregard of the SDGs. Rather than institution-creation or institution-shifting—the options outlined in this handbook’s introduction—the Trump administration’s default setting seems to be institution withdrawal.

The 2030 Agenda for Sustainable Development, which includes the SDGs as well as the Addis Ababa Action Agenda (AAAA) (which outlines ways to unleash the necessary financing for development), was agreed by all 193 Member States at the UN in 2015. Until 2030, they will serve as the common frame of reference for global development, for countries as well as a wide array of stakeholders with development interests.

Through the 2019 UN General Assembly, the United States and Austria are the only members of the OECD-DAC that have not done, nor signed up to do, a Voluntary National Review, the reports that countries voluntarily make at the UN to outline their progress and efforts to reach the SDGs. A 2018 study of G20 countries ranked the United States last in integrating the SDGs into its policies and institutions (Sachs et al. 2018).

In 2016 the United States created, and still maintains, an open-source reporting platform to provide national statistics based on the SDGs. Yet, the United States has not developed a national plan for implementation nor set up internal governance structures to monitor its success on the SDGs. Beyond the necessary diplomatic discourse at the UN, the SDGs are almost never mentioned by senior members of the Trump administration.

At the same time, the United States is undertaking policies that align with the SDGs. In USAID’s focus on the “Journey to Self-Reliance”, rolled out by Administrator Mark Green in 2018, many of the elements of development that USAID uses to determine a country’s progress—captured in “country roadmaps”—are represented by one or more SDG targets. The agency acknowledges the overlap in a technical note and explains the relationship between the self-reliance metrics and the UN SDG indicators (USAID, n.d.).

There is little indication the agency will take advantage of the larger opportunity: to use a country’s commitment to the SDGs as the basis for a frank development dialogue with the United States that the reliance metrics are designed to elicit. For example, the self-reliance indicators recognise the importance of government responsiveness and accountability, strength of governance, and citizens’ right to a country’s progress. SDG 16 also reinforces the centrality of these same elements—for the first time ever in a global

agreement on development—to which all countries signed on. This offers the United States a significant opportunity to frame its bilateral interactions in terms of mutual accountability and partnership, with ambassadors pressing the presidents and prime ministers of partner countries to follow through on their commitments to SDG 16. Leaving it out of such development dialogues incurs a political opportunity cost and misses the chance to advance the administration's own policy.

The same dynamic recurs in USAID's 2018 Private-Sector Engagement Policy (USAID 2018e). Private-sector investment is one of the three streams of capital to be mobilised through the AAAA for financing the SDGs. Again, this frame of reference is shared by all countries, given the consensus agreement. Yet, the policy does not once mention the AAAA or the SDGs.

In 2017 the United States declined to pledge during the replenishment of the International Fund for Agricultural Development and withdrew its funding for the Global Agriculture and Food Security Program (Morris 2018). The Trump administration took this action despite its 2017 National Security Strategy elevating food security as a development priority (The White House 2017a).

The shift away from multilateralism occurs not just at the policy level, but also at the project level. In summer 2018, after an Inspector General report on multilateral humanitarian assistance to Syria and Iraq, USAID changed its multilateral procurement policies (USAID 2018f). Historically, USAID funding to public international organisations (PIOs)⁵ has not required competition and enjoyed a favourable status. In the updated policy, USAID encourages—though does not require—competition. The policy also mandates that PIOs should be a partner of last resort:

An agreement with a PIO should be the exception, not the rule, for our programming, and agreements with PIOs must provide a greater benefit to the U.S. Government and the people we serve than any other available transaction, as determined by USAID's Senior Obligation Alignment Review for an agreement. (USAID 2018c)

The USAID Administrator must now approve all awards to PIOs above \$5 million. The threshold for Administrator approval on non-PIO awards is \$40 million (USAID 2018b).

These actions represent a step away, not just a step back. The intentional narrowing of the use of multilateral channels, even when they offer a platform to advance US priorities, signals a dismissal of the system itself. During the Trump administration, the United States seems to have decided primarily to pursue its development priorities on its own or through bilateral agreements,⁶ even when current multilateral efforts could be a force multiplier for the administration's own policies.

By intentionally ignoring the opportunities presented by the multilateral system, the United States is consciously limiting the impact of its aid. Today's

most intractable development problems require resources and policy interventions that outstrip the financial and political capital of the United States acting alone. More importantly, its lack of confidence is posing an existential challenge to the multilateral development system while leaving a leadership vacuum.

It is unclear the extent to which these changes in US posture will persist past the Trump administration. Bipartisan congressional support for global development remains strong, but that does not always translate into support for multilateral institutions. Polls in 2018 showed increased public support for shared leadership on global challenges—perhaps a reaction to the administration’s abrupt shift in policies (Smeltz et al. 2018).

Yet, changes made by the Trump administration might also be seen as a turbocharged acceleration of trends in US policy-maker attitudes, which were already reflecting increased ambivalence and dissatisfaction with multilateral development institutions, both with their effectiveness and the perceived dilution of US influence. The danger is that the administration has been willing to intensify US disregard for the traditional multilateral development system without a clear strategy or vision for what comes next—and who will lead it.

23.5 US DEVELOPMENT POLICY AND CHINA

The implications for multilateral cooperation are further complicated by emerging development “competition” between the United States and China. China’s development investments, categorised as South-South Cooperation, do not conform to the standards of transparency; evaluation and measurement of impact; and accountability expected of ODA.

China chiefly provides development *finance*, which is different in character, scale, and uses from the development *aid* provided by the United States. Much of China’s investments are offered as loans for infrastructure, versus the grants that the United States offers for social and humanitarian purposes such as health, education, and democratic strengthening. Even conservative estimates calculate that China’s investments through its Belt and Road Initiative over the next several years could approach \$1 trillion (Hillman 2018). This will create far-reaching economic relationships with many countries.

In summer 2018, USAID Administrator Green described China’s investments as “mercantile authoritarian assistance programs... [that] secure conditions and indebtedness that I would argue essentially mortgage a country’s future” (USAID 2018a). He reiterated these concerns in December, casting American and Chinese approaches as “two very different competing models of development” (USAID 2018d) that present recipient countries with a clear choice. A particular concern is that China is saddling countries with debt and substandard infrastructure while gaining undue influence, and even ownership of assets if countries struggle to repay them.

Vice President Mike Pence and former National Security Advisor John Bolton reiterated these themes in forceful terms. When El Salvador renounced

Taiwan in August 2018 to establish a relationship with China (which has since resulted in \$150 million in Chinese aid), the United States considered reducing its foreign assistance and taking other punitive measures (Harris 2018).

Reservations about Chinese development activities are not new. The Obama administration declined to join the China-led Asian Infrastructure Investment Bank (AIIB), in part because of questions about growing Chinese influence and whether the new bank would adhere to high environmental and social standards (Etzioni 2016). Those concerns proved mostly unfounded as the AIIB adopted safeguards and policies similar to other MDBs (Asian Infrastructure Investment Bank 2016), and it was established with 57 founding country members—a full-fledged multilateral institution, much in the mould of US-led multilaterals (Weiss 2017).

At the same time, before the Trump administration, the United States also sought out areas of constructive engagement and collaboration on global development issues with China on areas where their interests overlap. The United States and China collaborated on global health security, jointly funding the creation of an African Centres for Disease Control and Prevention, modelled after the US Centers for Disease Control and Prevention. They also jointly funded agricultural programmes in Timor-Leste. Though a first-ever memorandum of understanding on global development, the two countries were exploring other joint projects (Zhang 2018).

Beginning in 2009, the OECD hosted the China-DAC Study Group (OECD, n.d.-c),⁷ which provided the chance for high-ranking Chinese officials to experience and explore development practices reflective of development effectiveness principles. One of the DAC's motivations for establishing the study group was the prospect that exposure to best practices might encourage China to consider adopting them. Although Chinese interest was high, there is little evidence that the Chinese have modified their approach based on what they witnessed. This same opportunity is re-emerging with the launch by China of an official aid agency in 2018 (previous aid activity was overseen by the Ministry of Commerce). The United States, however, seems uninterested in trying to influence the new institution's structure and practices by constructively finding areas to work together.

Interestingly, the move by China to create the AIIB as well as the New Development Bank—a development institution created with Brazil, Russia, India, China, and South Africa (BRICS)—demonstrates a propensity for institution-creation and can be viewed as evidence of the value they place on multilateralism. In many ways, the two institutions are modelled after the traditional development banks created under the leadership of the United States. They incorporate tweaks to governance and operating structure in order to deliver their resources more efficiently and nimbly.

These new institutions are some of the highest profile examples of institution-creation within the multilateral system. It has led some to theorise that China may be strategising to create its own parallel multilateral

development system, and these new entities provide China a platform for leadership and governance to a much larger degree than traditional multilateral institutions.

Yet, China's influence within the traditional multilateral system has also grown. It is now the second largest contributor (after the United States) to core operations within the UN. Its active participation in following through on SDG and climate commitments is seen by some observers as a move to promote and affirm the validity of its approach to development—that is, gain political cover for an approach to development that minimises a focus on human rights and the importance of responsive, democratic governance. Then-Treasury Under Secretary David Malpass, in testimony before Congress in December 2018, noted that “China has made substantial inroads into the multilateral development banks” (US Department of the Treasury 2018a). This is a warning about institution-shifting.

On the one hand, this could continue to alienate the United States from the multilateral system. Perceptions that China has “captured” the multilateral system and is gaining political affirmation of its approach to development—with its disregard for human rights and democratic expression—create real reputational risk for these institutions. That perception may worsen if China continues to advocate for—and is successful in gaining—changes to governance that would make these institutions more reflective of their share of the global economy.

This could also be the catalyst to bring the United States back in full diplomatic force. Indeed, Malpass suggested in late 2018 that the United States had begun to work with like-minded countries through the MDBs to counter China's perceived ambitions (US Department of the Treasury 2018b). With Malpass having been elected as World Bank president in April 2019, he now has the opportunity as leader of the institution to seek to stop the bank's willingness to lend to China—something he has advocated previously—and “play favourites” among key shareholders. The World Bank and the UN may end up a battlefield in a great power competition on development.

23.6 CONCLUSIONS

Despite the shifts in policy effected by the Trump administration, the United States continues to show leadership in advancing the practice of global development. US foreign assistance continues to flow at traditional levels. Yet, in an interconnected world where development progress depends upon shared responsibilities and global public goods, the United States is suddenly averse to using the current multilateral system, even to advance its own priorities. This is a reversal from its traditional role as a champion for collective approaches, even if it often retained certain privileges for itself. It is too early to tell the extent to which the changes in US posture are affecting the amount of US aid flowing through multilateral channels.

The United States will likely remain silent on the SDGs, both domestically and globally, during the Trump administration. Recent analyses show that the world is significantly off-track to reach the SDGs if business as usual continues (Kharas et al. 2018). Given the significant leverage the United States could wield to drive behaviour change, the disinterest of the world's largest donor leaves a substantial void in drawing attention and mobilising resources, policy changes, and new commitments from other stakeholders to advance the SDGs, even when its own development programming substantively aligns with SDG outcomes.

This does not mean that the SDGs will suffer from a total lack of US leadership. There are good examples of US cities, businesses, investors, philanthropies, and universities demonstrating serious commitments towards implementing the SDGs (Pipa 2017). New York City, for example, became the first city in the world to report to the UN its contributions to the SDGs (NYC Mayor's Office for International Affairs 2018).

This circle of emerging activity will only expand—a US microcosm of the diverse, growing global movement to reach the goals. The most important contribution of the United States—at least for the first third of the 15-year time frame of the SDGs—will come from these non-federal stakeholders.

Such activity raises interesting questions for the achievement of the SDGs. The leadership and dynamism of businesses, cities, universities, and philanthropies in contributing to the SDGs are welcome. Their appetite for advancing the SDGs may lead to new forms or models of cooperation as they seek to maximise their impact by aligning their policies and activities in a holistic manner. Their engagement also provides grist for a new narrative for US development assistance, but despite the substantial resources and capacities of these actors, their ability to advance the agenda remains secondary compared to the leadership of the federal government.

The US government will not be wholly missing in action; its aid and policies will continue to support issues key to SDG success. Yet, without its leadership in coordinating and mobilising action within the frame of reference of the SDGs, it seems more likely that the global community will fall short of the goals.

It also raises interesting questions for the future of global governance and multilateralism, and the extent to which global cooperation can or will adjust so as to integrate leadership and successfully extract accountability from stakeholders other than national governments (Wong 2014). Efforts to democratise global cooperation are finding expression through new platforms such as the Paris Peace Forum, convened in November 2018 by President Emmanuel Macron of France, and Urban 20, a network of major cities feeding into the G20.

Yet, the US retreat from the multilateral development system provides an opportunity for the OECD-DAC to renew its political relevance. Given the ambition of the SDGs, the DAC can act as the responsible caretaker to protect and promote accountability of the development effectiveness principles agreed

at Busan. The Global Partnership for Effective Development Co-operation created in Busan never gained the necessary level of political traction, especially with key South-South providers such as China (Li 2017).

The DAC would also be a natural forum for the United States to attempt to build a serious diplomatic coalition to act as a counterpoint to China. On its own, the United States is unable to provide a viable alternative to China's development activities—if it is serious about countering those investments, it will need to do so by organising and inspiring like-minded donors to offer a collective response. However, the United States would have to reignite its inclination for collaboration as well as rebuild substantial political capital and credibility, with still uncertain prospects. Its traditional European allies may be hard to convince, since China's commitments on climate change are closer to their policy aspirations than those of the United States.

Yet, with a push, the DAC could reassert its combined political power—leveraging its shared values and developing a collective agenda—to engage diplomatically and politically with China and the other providers of South-South cooperation (as well as recipient countries), especially where debt crisis looms. The DAC has its distractions—the implications of Brexit as well as the mire of its current technical accounting debates—but the energy of a new chair could provide fresh momentum.

In addition to the great power geopolitical tug of war, there is a real political cost to the system that results from the current crisis of US confidence in multilateralism. Despite the United States, the global demand for multilateralism remains strong, and it continues to evolve. The SDGs and the Paris climate agreement embrace the concept of universality, breaking down the traditional dichotomy between developed and developing countries by having all countries commit to progress within their own borders. Yes, the wariness that larger, more politically powerful countries gain advantages within the system remains; but the newly agreed concept that every country is a developing country—just at different points on a continuum—provides additional rationale for more evenhanded structures.

Countries are coming to the multilateral arena to be treated as peers, with rules equitably applied and governance that is reflective of economic and political diversity. The serious reforms underway within the UN development system represent a major next step in this evolution—its progress will be closely watched by diplomats and policy-makers eager for a positive example of how multilateralism might evolve.

The pace of US policy change within the multilateral development system has been rapid and far-reaching since 2017. It remains to be seen whether it has been a momentary aberration or a permanent widening of fissures. Significant majorities of the US public, including significant majorities of US youth (UN Foundation 2018), continue to believe in the value of multilateralism. At the end of 2018, Secretary of State Mike Pompeo declared that the United States is on a “mission to reassert its sovereignty” while also “rallying the noble nations of the world to build a new liberal order” (US Department of State

2018). The full implications for the multilateral development system of these two contradictory impulses have yet to come.

NOTES

1. See summary of the World Bank in the United States at <https://www.worldbank.org/en/country/unitedstates/overview>.
2. Versus being the dominant world leader (32 per cent) or playing no leadership role at all (7 per cent) (Chicago Council of Global Affairs 2017).
3. A January 2017 University of Maryland study found that overwhelming majorities agree that the United States should coordinate its power with other countries according to shared ideas of what is best for the world as a whole, repeating similar results from 2006 and 2004 (Kull et al. 2017).
4. Major foreign assistance bills enacted into law in the last two years include:
 - (i) READ Act (H.R. 601—vehicle for a FY18 CR)
 - (ii) Women, Peace, and Security Act (S. 1141)
 - (iii) AGOA and MCA Modernization Act (H.R. 3445)
 - (iv) BUILD Act (H.R. 302—part of the FAA Reauthorization)
 - (v) Global Food Security Reauthorization Act (S. 2269)
 - (vi) PEPFAR Extension Act (H.R. 6651)
 - (vii) DELTA Act (H.R. 4819)
 - (viii) Asia Reassurance Initiative Act (S. 2736)
 - (ix) Global Health Innovation Act (H.R. 1660)
 - (x) Women's Economic Empowerment Act (S. 3247)
 - (xi) Protecting Girls' Access to Education in Vulnerable Settings Act (S. 1580).
5. USAID's terminology for multilateral development agencies.
6. This would be like the stance the United States has adopted on trade, where it is eschewing multilateral agreements such as the Trans-Pacific Partnership for bilateral trade agreements.
7. See <http://www.oecd.org/dac/dac-global-relations/china-dac-study-group.htm> for more explanation and background on the China-DAC Study Group.

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